



CANNON BUILDING
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STATE OF DELAWARE
DEPARTMENT OF STATE

DIVISION OF PROFESSIONAL REGULATION

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PUBLIC MEETING MINUTES:	COUNCIL ON REAL ESTATE APPRAISERS
MEETING DATE AND TIME:	Tuesday, January 19, 2010 at 9:30 a.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room A , second floor of the Cannon Building
MINUTES APPROVED:	2/16/2010

Members Present

Brad Levering, Chair, Professional Member
Gary V. Parker, Vice Chair, Professional Member
Stephen Huston, Professional Member
William Diveley, Professional Member
Ronald Mandato, Professional Member
Arthur Cahall, Public Member
Linda Carter, Public Member
Frank Long, Public Member

Division Staff/Deputy Attorney General

Patricia Murphy, Deputy Attorney General
Nicole Williams, Administrative Specialist II
Kay Warren, Deputy Director, Division of Professional Regulation

Members Absent

Selena Zook, Public Member

Others Present

Earl Loomis

Call to Order

Mr. Huston called the meeting to order at 9:35 a.m.

Election of Officers

Mr. Levering made a motion to nominate Mr. Parker for Vice Chair, seconded by Mr. Diveley. The motion carried unanimously. Mr. Huston made a motion, seconded by Mr. Cahall to move Mr. Levering to Chair. The motion carried unanimously.

Mr. Levering addressed the Council and provided his gratitude and took over the meeting as Chair.

Review and Approval of Minutes

The Council reviewed the minutes from the November 17, 2009 meeting. Mr. Huston made a motion to accept the minutes as submitted, seconded by Mr. Diveley. The motion carried unanimously.

Unfinished Business

Strategic Planning

Discussion of Statute Change: Letter of Concern for Disciplinary Actions

Mr. Huston advised the Council that he requested that this item be placed on the agenda. He advised that in a prior meeting in the recent past, Mr. Collins suggested that the Council adopt a letter of concern in regards to disciplinary actions. Mr. Huston explained the letter of concern. The letter of concern would not be a sanction that would be on a licensee's permanent record. Mr. Huston advised that a letter would not rise to the same level as a disciplinary sanction. Mr. Huston advised that he feels this would be a good option to have as a few other boards already have this in place. Ms. Williams advised the Council to review the draft language for the letter of concern that Ms. Eileen Heeney had drafted before she left the Council. Ms. Williams advised that this letter was drafted in part because of the CE deficiency. Ms. Murphy advised however that the letter of concern does not address the CE issue. Ms. Murphy advised that the language in this current letter of concern draft needs to be clarified to state specifically what is needed regarding CE deficiencies and disciplinary actions. The Council further discussed. The Council discussed tabling this agenda item to have Ms. Murphy research this issue further and fine tune the language. Mr. Parker advised that the letter of concern would serve the purpose of issuance for an action that did not rise to the occasion of a discipline that would require a disciplinary action be taken. Ms. Murphy will review the current letter and report back to the Council at the next board meeting.

Market Value vs. Loan Value

Mr. Mandato advised the Council that the agenda item should read market value vs. loan amount. Mr. Huston read the proposed statute change for Title 24, Chapter 40, Subchapter 1, section 4002. Mr. Mandato inquired if the change could read "market/opinion value" instead and Mr. Huston advised that that would be fine. Mr. Levering inquired if this would be a regulation or statute change. Ms. Williams advised if this would be a statute change. Ms. Murphy advised that she would draft the language in a clarification bill once the Council voted to approve the change. Mr. Parker inquired if the change was due to the Appraisal Qualification Board (AQB) or a State change. Mr. Loomis advised that this change was to occur because licensees were not specific on the meaning of market value and loan amount. Mr. Loomis clarified the AQB's stand on the licensed real property classification. The Council further discussed this matter. Mr. Huston made a motion to change the language of section 4002, subsection 11 to "The Licensed Real Property Appraiser Classification applies to the appraisal of one to four residential units having a market value of \$1,000,000 or less and one to four complex residential units having a market value of less than \$250,000, seconded by Mr. Mandato. The motion carried unanimously.

Mr. Huston advised that there were additional changes to the statute that Mr. Loomis submitted to the Council, specifically, sections 4002, subsections 3, 4, 9, and 13. The Council reviewed and discussed the proposed changes:

(3) "Certified general real property appraiser" shall mean a person, who has met the certification requirements of this chapter pertaining to the appraisal of residential and nonresidential real property utilized in connection with federally-related transactions (amended to strike the underlined section) and who holds a current, valid certificate issued under this chapter.

(4) "Certified residential appraiser" shall mean a person, who has met the certification requirements of this chapter, pertaining solely to the appraisal of residential real property utilized in connection with federally-related transactions (amended to strike the underlined section) and who holds a current, valid certificate issued under this chapter.

Mr. Huston made a motion to make the changes to sections 4002, subsections 3 and 4 as noted above that the phrase "utilized in connection with federally-related transactions" be completely stricken from both subsections, seconded by Mr. Diveley. The motion carried unanimously.

(9) "Federally-related transaction" shall mean a real estate-related financial transaction, which a federal financial institution regulatory agency such as HUD/FHA, Fannie Mae and Freddie Mac or, the Resolution Trust Corporation (amended to strike the underlined sections) engages in, contracts for, or regulates, and which requires the services of an appraiser.

Mr. Loomis addressed the Council to clarify the proposed change to subsection 9. Ms. Murphy asked the Council to clarify how that subsection should read. Mr. Parker made a motion to accept the proposed change to subsection 9 of section 4002, seconded by Mr. Levering. The motion carried unanimously.

(13) "Personal supervision" shall mean the active oversight by the state- licensed or (amended to strike the underlined section) certified real estate appraiser of the real property appraiser trainee. The trainee may assist in the completion of an appraisal report, including an opinion of value, and may co-sign an appraisal, provided that the trainee has been under the personal supervision of the state-certified or licensed real estate appraiser (amended to strike the underlined section) and provided further that the state-certified or licensed (amended to strike the underlined section) real estate appraiser shall review and sign the appraisal report and accept total responsibility for said appraisal report.

Mr. Huston made a motion to accept the above proposed changes to subsection 13 of section 4002 as noted above, seconded by Mr. Levering. The motion carried unanimously.

Mr. Levering advised to have the Council put on next month's agenda to review the regulations regarding appraisers moving from licensed or certified residential to certified general pertaining to the supervising appraiser, i.e. the appraiser trainee supervising requirements in the regulations.

The Council took a 5 minute break at 10:50 a.m.
The Council resumed at 10:55 a.m.

The Council amended the agenda to add agenda item 3.1.3 a letter sent to Mr. Collins regarding Competitive Market Analyses/Broker Price Opinions (CMAs/BPOs). Mr. Huston briefly

explained the situation of why this letter occurred and that the letter was sent to Mr. Collins without the Council's review due to time constraints. The Council and Ms. Murphy further discussed this matter. Ms. Murphy will report back to the Council at the next meeting as to where this matter currently stands.

Status of Complaints

19-05-09 – Mr. Huston advised the Council that the complaint has been closed.

Schedule Hearing Date for David G. May

Ms. Williams advised the Council that at the last meeting the Council rejected the submitted consent agreement and requested to have Mr. May appear before the Council. The hearing will be scheduled for the February meeting at 9:30 a.m. Ms. Williams will send the hearing notice to Mr. May and schedule the court reporter.

Final Decision and Orders

The Council reviewed and signed the two final decisions and orders for Mark Sloan and the one final decision and order for Jeanne Parrott.

New Business

Degree/College Credits and Prelicensing Education Requirements

Mr. Huston advised the Council that this occurred due to a correction that Mr. Loomis cited on the Division's website regarding a semantic error. Mr. Huston advised that the education requirements were incorrect and Ms. Williams advised the Council of the action taken by the Division to get the matter corrected. There was no further discussion by the Council.

Proposed change regarding CMA-BPO

Mr. Huston provided draft language prepared by Mr. Witt, Mr. Loomis, and Mr. Huston in response to changes made by Real Estate Commission. The proposed changes made by the Real Estate Commission were in response to letters sent by the Council regarding concerns. Ms. Hickey explained that the issue stands as Real Estate Agents and Brokers are trying to expand abilities, which proposes conflicts with the responsibilities of licensed appraisers exclusively. Ms. Hickey clarified for the public members why the Real Estate Commission is seeking the proposed statutory amendment. The Council reviewed the proposed legislative changes by the Real Estate Commission. Mr. Huston recommended number three (3) be stricken from the proposed amendments. Mr. Cahall left the meeting at 11:51 am. After discussion, Mr. Parker made a motion, seconded by Mr. Diveley to have the language drafted by Mr. Witt, Mr. Loomis, and Mr. Huston submitted to the Real Estate Commission. The motion was unanimously carried.

Review of Licensed Real Property Appraiser Applications

The Council reviewed the request to sit for the appraiser exam for W. Gayle Parker due to a testing service error. Mr. Huston made a motion to approve her to sit for the exam, seconded by Mr. Diveley. The motion carried unanimously.

Wayne Kersey – Mr. Parker advised that he will review the log and request the work samples.

There was no further discussion.

Review of Continuing Education Activities

The Council reviewed the Continuing Education Activities applications that were submitted.

Mr. Huston made a motion, seconded by Mr. Diveley to approve all of the applications submitted for American School of Real Estate Express, LLC and the Appraisal Institute. The motion carried unanimously.

Mr. Levering made a motion to approve all the applications submitted by American Society of Farm Managers and Rural Appraisers, seconded by Mr. Huston. The motion carried unanimously.

Mr. Levering made a motion, seconded by Mr. Cahall to approve the applications submitted by Career Web School. Motion unanimously carried.

Mr. Levering made a motion, seconded by Mr. Huston to approve the application submitted by Delaware Association of Appraisers. Motion unanimously carried.

Mr. Levering made a motion seconded by Mr. Huston to approve the all the applications submitted by Loomis Appraisal School. Motion unanimously carried.

Mr. Mandato made a motion, seconded by Mr. Huston to approve all the applications submitted by McKissock. Motion unanimously carried.

Mr. Mandato made a motion, seconded by Mr. Huston to approve the application submitted by the National Association of Independent Fee Appraisers. Motion unanimously carried.

Mr. Mandato made a motion, seconded by Mr. Huston to approve all the applications submitted by the Philadelphia Chapter of the Appraisal Institute. Motion unanimously carried.

Mr. Mandato made a motion, seconded by Mr. Huston to approve all the applications submitted by Van Education Center. Motion unanimously carried.

Ratification of Issued Licenses List

Ms. Williams advised that licenses were issued to Jeremiah D. Smith (Certified Residential by exam), Louise Jeffers (Certified General by reciprocity), and Lee Scovern (Certified Residential by reciprocity). A motion was made by Mr. Cahall, seconded by Mr. Parker to ratify the listing. The motion carried unanimously.

Review of Temp Applications (for discussion only)

Ms. Williams advised the Council of the temp applications issued to Eric Garfield – Sussex Co., Matthew Bilger – New Castle Co., Paul Lubicich – Kent Co., Melanie Kosich – New Castle Co., William Yetke – New Castle Co., Avi Vardi – Kent Co., Vincent Maldonado – Sussex Co., Edward Karabedian – Kent Co., Cornelius Guiney – New Castle Co., and Anne Lloyd-Jones – New Castle Co.

There was no further discussion by the Council.

Complaint Assignments and Reassignments

Complaint 19-15-09 was assigned to Mr. Parker. Complaint 19-06-09 was reassigned to Mr. Diveley and complaint 19-10-09 was reassigned to Mr. Mandato.

Review of Certified Residential Real Property Application

The Council reviewed the application for Ted Ganderton for approval for licensure. Mr. Mandato reported that he reviewed five samples and every sample was deficient as each did not comply with the Uniform Standards of Professional Appraisal Practice (USPAP). Mr. Mandato made a motion to propose to deny Mr. Ganderton's application based on his appraisal reports as submitted, seconded by Mr. Parker. The motion unanimously carried.

Subcommittee Selection

Mr. Levering advised that he would like to have this agenda item placed on the agenda for the next meeting to determine who will be in the subcommittees, a subcommittee for rule revisions and a subcommittee for the assessor's issue.

Other Business before the Council (for discussion only)

Mr. Mandato inquired how often the website is updated. Ms. Williams explained the process to the Council. Mr. Mandato advised that he is concerned with the timeliness of the complaints in the Division being resolved as he has a complaint from last year that is still open and lingering. The Council further discussed the complaint matter. Ms. Williams explained the complaint process again. Mr. Levering inquired if the Council could find out the complaint process after the investigator is assigned to the complaint. Mr. Mandato inquired if Ms. Williams would contact the investigative unit to notify them that there has been three different complaints against one licensee and would like to have the current complaints against this licensee investigated as soon as possible.

Public Comment

Mr. Loomis inquired about Mr. Ganderton's request. Mr. Huston clarified Mr. Ganderton's request. There was no further discussion by the Council.

Next Meeting

The next meeting is scheduled for March 16, 2010 at 9:30 a.m. in Conference Room A, second floor, Cannon Building, 861 Silver Lake Boulevard, Dover, Delaware.

Adjournment

Mr. Cahall made a motion to adjourn the meeting, seconded by Mr. Diveley. There being no further business before the Council the meeting adjourned at 11:39 a.m.

Respectfully submitted,



Nicole M. Williams
Administrative Specialist II